

VZCZCXYZ0014
PP RUEHWEB

DE RUEHVI #3475/01 3381520
ZNR UUUUU ZZH
P 041520Z DEC 06
FM AMEMBASSY VIENNA
TO RUEHC/SECSTATE WASHDC PRIORITY 5702
RUEKJCS/OSD WASHDC PRIORITY
RHEHAAA/WHITEHOUSE WASHDC PRIORITY

UNCLAS VIENNA 003475

SIPDIS

SIPDIS

DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

OSD FOR COMMANDER CHAFFEE

WHITEHOUSE FOR NSC/WEUROPE

E.O. 12958: N/A
TAGS: [KPAO](#) [AU](#) [OPRC](#)

SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: December 04, 2006

Coalition Talks to Continue

11. The next round of talks between representatives from the SPOe and the OeVP to form a grand coalition begins today. At the top of the agenda are issues including government and administrative reforms, as well as social affairs, such as the details and financing of the proposed basic security payments for financially disadvantaged Austrians.

Among the key issues up for discussion, according to ORF radio early morning news Morgenjournal, is the question of how the proposed basic security payment can be financed: Who is going to pay for the roughly 660 million Euros the measure would cost annually, according to SPOe estimates? The OeVP meanwhile says financial means required for the payments will likely be even higher. That is why the provinces want to have their say in the matter - after all it is they who are responsible for public relief and social welfare. Thus, the provincial governors will meet in Upper Austria on Monday to discuss this expected financial burden, and to determine how the costs might be shared.

Schoenborn against Child Benefit Regulation

12. The Cardinal of Vienna, Christoph Schoenborn, has spoken out against a law introduced by Social Affairs Minister Ursula Haubner, which denies benefits to children of some foreign-born women until they obtain a passport and a visa for their child. Speaking on ORF TV on Sunday, Schoenborn emphasized he hoped "this eminently discriminating regulation" will be "cancelled immediately." On ORF TV4s program Meet the Press on December 2, Cardinal Schoenborn harshly criticized the Social Affairs Minister's controversial regulation on child care benefits. He welcomed the fact that there have been "quite clear signals" from both major Austrian parties in favour of dropping the law during the coalition negotiations between the Social Democrats the Conservatives. At the weekend, the decree was still in force despite opposition from the SPOe and the OeVP, who between them have the majority of seats in Parliament. Ursula Haubner from the BZOe, the Social Affairs Minister in the outgoing caretaker government, has refused to take back the regulation. Sources say it is possible that parliamentary action could force her to do so this week. Also, due to demographic development and the over-ageing of society, the Cardinal suggested, Austria would necessarily have to rely on more immigrants in the future, particularly in the hospital, private and geriatric care sectors. He stressed that "no one is suggesting an uncontrolled opening of the borders, but it will also not do to completely shut down the borders."

Calls for Pilz to Resign over Inquiry

¶3. There has been massive criticism from the BZOe of Greens MP and security spokesperson Peter Pilz: The head of a parliamentary inquiry into the purchase of Eurofighter jets for Austria, is accused of running a personal campaign against Finance Minister Karl-Heinz Grasser. Pilz has meanwhile defended his leadership of the investigative committee, emphasizing he is committed to a "fair and objective" process.

The Alliance for Austria's Future (BZOe), which at present is in the government coalition with the People's Party (OeVP), has called on Pilz to resign, semi-official daily Wiener Zeitung reported on December 2. The jets have been ordered, but not yet delivered, and the SPOe has long been looking for possible alternatives. EADS, the company which produces the Euro fighter jets, says quitting the deal now would cost Austria 1.2 billion Euros.

Meanwhile, the Finance Minister has begun disciplinary proceedings against a departmental head in his Ministry who sent information to the investigation.

According to the daily, the head of the budget department in the Ministry, Gerhard Steger, defended his decision to re-direct an email from Grasser, saying he felt the message was relevant to whether the Minister had tried to influence Ministry officials' testimonies. The Greens and the Social Democrats (SPOe) had earlier accused Minister Grasser of trying to intimidate his staff.

Plassnik on Middle East Trip

¶4. Austrian Foreign Minister Ursula Plassnik was on a three-day trip to the Middle East last weekend. She visited Israel, where she attended a conference on "Israel and Austria: 50 years of diplomatic relations." The Foreign Minister also traveled to the Palestinian territories and Jordan, and met with top Middle East politicians including Israeli Premier Ehud Olmert, Palestinian President Mahmoud Abbas and her Israeli counterpart Tzipi Livni.

Austrian Foreign Minister Ursula Plassnik was received by her Israeli counterpart Tzipi Livni on Sunday -- the third day of her Middle East tour. Livni, answering questions by journalists, denied her country was interested in a standstill in the Middle East, liberal daily Der Standard reports, like all major Austrian media. Likewise, Plassnik stressed the "positive impulse sent out by Israel. Premier Ehud Olmert's speech a few days ago has given rise to new hope. It is an outstretched hand and it should be taken," the Minister said. In Gaza on Saturday, Plassnik had a meeting with Palestinian President Abbas. She stressed that her visit was "a deliberate sign of encouragement and recognition of his work," the Standard quotes from a statement by her ministry in Vienna.

According to Austrian Press Agency APA, Plassnik argued: "The Palestinian people are justified in expecting their political leadership to work together instead of acting against each other. Many elements for the revival of the peace process are on the table. The goal is now to get a dialogue going between the two sides," so that there could be hope for a new start to the political process." A report in centrist daily Die Presse says on her trip, Plassnik had the "chance to see for herself, how caught up in a deadlock the Israeli-Palestinian relations are."

Annan Urges Iraq Conference

¶5. UN Secretary General Kofi Annan is calling for an international conference on Iraq, arguing that the situation there has become "much worse" than a civil war. In an interview with the BBC, Annan compared the level of violence, the number of casualties, the bitterness and the way forces in Iraq are now fighting each other, with the civil war in Lebanon in the 1970s and 80s, stressing that in his view the developments in Iraq were even more critical. The Iraqi government has dismissed the UN Secretary General's proposal for an international meeting to address the issue.

In an interview with the BBC, UN Secretary Kofi Annan warned that Iraq is "in the grip of civil war," and that life for the average Iraqi is now worse than under the regime of former Iraqi dictator Saddam Hussein. He also admitted that the failure to prevent the US-led invasion of Iraq in 2003 was a major blow to the UN - one from which the organization is only beginning to recover, ORF radio

early morning news Morgenjournal reports. "It was extremely difficult, because I really believed that we could have stopped the war, and that if we had worked a bit harder, given the inspectors a bit more time, we could have (done so). I was also concerned that for the US and its coalition to go to war without the consent of the (UN Security) Council in that particular region, which has always been extremely controversial, would be very difficult and divisive," ORF radio quotes Annan.

Meanwhile, mass-circulation tabloid Oesterreich writes that a US pullout from Iraq could trigger a military response from Iraq's neighbors. US President George Bush and Iraqi Premier Nuri Al-Maliki had agreed in their meeting last week that a partitioning of Iraq into semi-autonomous regions has to be avoided at all costs, as such a development would likely lead to a break-up of the country. Saudi Arabia and Turkey have already threatened massive military interventions: The Turkish army would invade Iraq, should the Kurdish north declare independence, and Saudi Arabia has warned it would also launch a massive intervention in case of a US pullout, in order to prevent the Shiite militias from killing the Iraqi Sunnis, Oesterreich says. Likewise, Syria, too, could intervene by expanding its control over the predominately Sunnite western part of Iraq.

Litvinenko Contact to Spill the Beans

¶6. Mario Scaramella, a contact of the Russian ex-spy Alexander Litvinenko who died of polonium poisoning in November, has said he will disclose the "names of politicians and journalists" who, allegedly, used to be actively working for the former USSR's intelligence services. In addition, the FBI is meanwhile also said to be looking into the case.

Mass-circulation daily Kurier in a front-page report writes about an alleged connection between the poisoning of Russian ex-spy Alexander Litvinenko and Russian oil corporation Yukos. The FBI is questioning a former agent for the KGB, who is suspected of having forwarded documents suggesting a connection between the murder of Litvinenko and the break-up of Yukos.

Meanwhile, security affairs writer for centrist daily Die Presse Burkard Bischof comments that with regard to the Litvinenko case, "speculations concerning the background of his poisoning are running wild. (...) The former spy Litvinenko must have been researching on many fronts. After all, he was allegedly poisoned because a) he was about to clear up the Anna Politkovskaya murder case; and b) the machinations around the annihilation of the Yukos conglomerate."

Chavez Wins Venezuela Vote

¶7. President Hugo Chavez of Venezuela has won a third term in office, with a landslide victory over his nearest rival. With almost 80 percent of the ballots counted in the presidential election, Chavez has secured more than 60% of the vote, officials said. His main opposition rival, Manuel Rosales, has admitted defeat. ORF radio early morning news Morgenjournal reports on the landslide victory of Venezuelan President Hugo Chavez in the country's presidential elections. Chavez told a cheering crowd in the capital Caracas that the poll had been a triumph for his Bolivarian revolution. ORF online news meanwhile argues that Chavez' "overwhelming election victory" could "further boost the Venezuelan President's efforts at forming a South American pact to counter US influence in the region."

Israel Responsible for Middle East Impasse, Carter Says

¶8. Israel is greatly to blame for the lack of peace with the Palestinians, said former US President Jimmy Carter in an interview with an Austrian daily on Saturday. In an interview with centrist daily Die Presse on December 3, former US President Jimmy Carter argued that the Israelis had broken key UN resolutions and the international "roadmap" by occupying Arab lands and suppressing the Palestinians. Furthermore, in the United States no-one criticized Israel, Carter complained. It was not even "acceptable to say you have a balanced opinion in the Middle East conflict, or to support the Palestinians' right to their land and demand that Israel withdraw from the occupied territories," the daily quotes the ex-President. In the US, the supporters of Israel

had a "very influential role in the political process," said Carter, who was commenting on his own new book "Palestine: Peace Not Apartheid." He stressed that "former US governments had shown by word and deed that they were concerned about peace for Israel, but also peace and justice for the Palestinians." That had been the case with his own administration and the following ones under Ronald Reagan, George H. W. Bush, and Bill Clinton. But it was "not like that any more." In the Arab world there was the "impression that the present US administration did not spare a thought for the Palestinians," Carter told the Presse, and pointed out that it was not necessary to be against Israel to support the right of the Palestinians to their own land and a life in peace. In any case, the Bush government had not made any efforts, he complained: "In the past six years there has not been a single day of peace talks between Israel and the Palestinians. And of course, the whole world expected such talks to be initiated by the United States."

McCaw